transmission and distribution losses from the present 40 per cent to 15 per cent over a period of five years;

(b) whether Government propose to call for a feeder bifurcation and adoption of franchisee models under the crash programme;

(c) whether the power reform models adopted by the States involve a subsidy payout to meet the loss reduction target; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) Government of India is already implementing Accelerated Power Development and Reforms Programme (APDRP) since 2002-03 with an objective to reduce Aggregate Technical and Commercial (AT&C) losses, improve quality of supply of power, increase in revenue collection and to improve consumer satisfaction. The said programme has two components *viz.* (i) investment component and (ii) incentive component. Under investment component, funds are released as Additional Central Plan Assistance to the States for strengthening and upgradation of sub-transmission and distribution system. Under the incentive component of APDRP, 50% of the actual cash loss reduction effected is given as grant to motivate State Power Utilities to reduce cash losses. In view of the recommendations/suggestions of the various stakeholders, Accelerated Power Development and Reforms Programme (APDRP) is proposed to be continued during the Eleventh Plan with the revised terms and conditions to make the programme more effective. Feeder bifurcation and adoption of franchisee models are among the various measures proposed for Eleventh Plan.

(c) and (d) The Government has sanctioned projects amounting to Rs. 17033.58 crores under investment component of APDRP so far, out of which APDRP component is Rs. 8720.07 crores and the Government has already released an amount of Rs. 6574.89 crores under this component of programme. An aggregate amount of Rs. 1587.52 crore has been released as incentive to eight States under incentive component of APDRP.

Allocation of power to States

665. DR. M.A.M. RAMASWAMY: Will the Minister of POWER be pleased to state:

(a) whether the mineral rich States have demanded allocation of an

appropriate portion of power generated in their respective States at a variable cost;

(b) if so, the details of the demands put forth by the States, State-wise; and

(c) Government's reaction thereto?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) The State Governments of Chhattisgarh, Jharkhand and Orissa in a joint memorandum to the Government of India have requested for an allocation of an appropriate portion of power generated to the host State at variable cost along with a formula-bound incentive.

(c) The demand has major tariff implications which impact almost all States of the Union. To evolve a general consensus, this issue will need deliberation with various stake holders.

Joint ventures by public sector power undertakings

666. DR. M.A.M. RAMASWAMY: Will the Minister of POWER be pleased to state:

(a) whether the Central Public Sector Undertakings under its administrative control are subjected to Cabinet's and Public Private Partnership Appraisal Committee approval resulting in delay informing joint ventures and execution of power projects; and

(b) if so, the steps taken by the Ministry to cut short this procedure?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) As per the latest instruction dated 31.01.2007 received from the Ministry of Finance, all projects of Public Sector Undertakings (PSUs) in Joint Venture (JV) mode need to be processed by Public-Private Partnership Appraisal Committee (PPPAC) except those which fulfill the following conditions:

(i) The JV is not sponsored by public sector entity. The asset sought to be created is for dedicated use and not a public asset.

(ii) There is no BoT arrangement. The JV owns and manages the assets in perpetuity, subject to the exit option available for a company which wants to cease to do business.